

INTELLOFAK 12

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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

80487

COUNTRY Germany/Russian Zone

SUBJECT Saxony-Anhalt: Industrial Report
for Month of January 1947

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EVALUATION OF SOURCE

EVALUATION OF CONTENT Except as noted

1. The failure of industries to meet the quotas set for them, as indicated in Attachment II, is attributed to these general factors: shortages of coal, raw materials, and electricity; transportation difficulties; lack of skilled labor; and cold weather. It should also be pointed out that in numerous cases quotas were assigned which exceeded plant capacity.
2. The following particular difficulties were met in individual branches of industry:
 - a. Metallurgy: Russian plants received larger shipments of raw iron than did German plants. Production of cast structural steel suffered from a shortage of alloying materials in the foundries. There was a lack of workers in the copper industry, as well as a shortage of equipment for the removal of waste.
 - b. Electrical Ind.: Reduced production of dynamo-plates brought about a crisis in the manufacture of electric motors and transformers. Large reductions in production will have to be made if the situation is not alleviated speedily by imports from the west. Production of radios fell off because of the shortage of small transformers, tubes, and electrolyte condensers. Mansfield AG was unable to meet the demand for dynamo wires. Because of faulty insulation, only part of the wires produced are usable. Bottlenecks in this field of industry are of a particularly difficult nature, and solutions are urgently needed.
 - c. Machine Construction: A shortage of boiler plates for steam boilers and industrial furnaces was reported. A shortage of milled metals (Walzmaterial) held up production of agricultural machines. There were shortages of structural steel, hoop steel, structural sheet-metal, sheet aluminum, and aluminum wire. Because of reductions made by the SMA Halle, fifty-nine factories received no subsidies and no allocations of materials; they were told to halt production temporarily.

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- d. Precision Instruments and Optics: Different factories were forced to slow down or halt production completely.
- e. Chemical Industry: Some plants had to suspend production in part or shorten working hours. The sulphuric acid industry complained in particular about the quality of the pyrite from Norway (35.5% sulphur content). There was a lack of markets for hydrochloric acid.

The printing ink industry complained mainly of shortages of linseed oil and pigments. Phosphate fertilizer production depended on raw phosphates which were promised but have not been delivered as yet. The production quota for nitrogenous fertilizers could not be filled because the Chemiewerk Leuna had difficulties in procuring ammonia.

Production of solvents is nearing a crisis because of the acute shortage of naphthalene. Production came to a standstill at the Sauerstoffwerk Magdeburg, causing the manufacture of technical gases at this factory to cease completely. Producers of acetylene were hampered by a shortage of carbides, and producers of hydrogen had marketing difficulties. The Salzbergwerk Neustassfurt, which, among other things, produces potash, was inactive for the greater part of the month because of plant damages.

- f. Rubber and Asbestos: In this field there was an acute shortage of materials. The SMAD gave the rubber boot industry a grant of materials not included in the industrial plan.
- g. Stone and Earth (including glass and ceramics): There were drying difficulties brought about by the lack of coal and briquettes. The Porzellanfabrik Lettin had to halt production because of the coal shortage.
- h. Leather: Large quantities of technical leathers are being processed and are to be finished in the months of January and February. The production of orthopedic leather has declined because the necessary hides (calf, pig, kid) were sent to other provinces upon order of the SMAD.
- i. Cellulose and Paper: In this field there is a shortage of old paper and unspinnable rags for raw paper factories.
- j. Cultural Wares: No raw materials were allocated to this industry by the SMA or the SMAD, and production is questionable.
- k. Food and Luxury Items: This industry suffered from shortages of oxygen and acetylene gas. Beginning January 1947, no more applications could be placed for bread production; this will cause operation to stop in about 600 factories with 21,000 employees.
- l. Fuel and Power: This field includes many industries which are fully staffed. The fuel and power industries themselves, however, suffer from a lack of workers. For example, Leuna Buna employs about 10 - 12,000 persons, but only 200 - 300 of these work in the fuel and power branch.

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